WAR-TIME FINANCIAL PROBLEMS

THE OUTLOOK FOR CAPITAL

September, 1917

The Creation of Capital—The Inducement—War and Capital

ONE of the questions that are now most keenly agitating the minds of the investing public and of financiers who cater for its wants, and also of employers and organisers of industry who are trying to see their way into after-the-war conditions, is that of the supply of capital. On this subject there are two contradictory theories: one considers that owing to the destruction of capital during the war, capital will be for many years at a famine price; the other, that owing to the exhaustion of all the warring powers, that is, of the greater part of the civilised world, the spirit of enterprise will be almost dead, the demand for capital will be extremely limited, and consequently the supply of it on offer will go begging to find a user. It seems likely that, as usual, the truth lies somewhere between these two extreme views; but we shall best answer the question